

FISCAL NOTE
SB 163 - HB 1342

April 5, 2001

SUMMARY OF BILL: Requires the State Insurance Committee to establish the contribution level it must pay on behalf of participating retirees with 30 or more years of service provided that any such contribution shall not be less than \$50 per month. Under current law, the committee has established the contribution level for this group of retirees at \$40 per month.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$1,719,600

Based on information provided by the Division of Insurance Administration in the Department of Finance and Administration, there are currently 8,539 retirees in the affected category.

For informational purposes, support for retirees with less than 30 years of service are as follows:

<i>20 to 29 years of service</i>	<i>75% of the 30 year amount</i>
<i>15 to 19 years of service</i>	<i>50% of the 30 year amount</i>

Estimate assumes the following:

- The increase in state expenditures is estimated to be \$1,719,600 which is calculated as follows:
 - 8,539 retirees with 30 or more years of service estimated annual cost at \$50 level = \$8,598,000.
 - Proposed contribution level of \$50 = \$6,878,400
 - Estimated increase of \$1,719,600, (\$8,598,000 - \$6,878,400).
- An additional increase for retirees with less than 30 years of service will occur since the amount for this group is based on a percentage of the 30 year amount.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director